

## Message Text

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43

ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SPC-03 SS-15

USIA-15 ACDA-19 IO-15 DRC-01 /127 W

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R 091718Z OCT 73

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC 8751

UNCLAS PANAMA 5456

EO 11652: N/A

TAGS: ECON, PN

SUBJ: GOVERNMENT DECREE FREEZES RENTS

REF: PANAMA A-189

1. SEVERAL OF THE GOVERNMENT-CONTROLLED SPANISH LANGUAGE NEWSPAPERS GAVE FRONT PAGE HEADLINE TREATMENT ON OCTOBER 8 AND 9 TO NEW LAWS CONCERNING RENT CONTROLS AND INCENTIVES FOR HOUSING CONSTRUCTION WHICH WILL BE ANNOUNCED BY CHIEF OF GOVERNMENT GENERAL TORRIJOS DURING OCTOBER 11 CEREMONIES COMMEMORATING THE FIFTH ANNIVERSARY OF THE REVOLUTION.

2. ALL RENTS, INCLUDING THOSE FOR COMMERCIAL BUILDINGS, WILL BE FROZEN FOR A THREE-YEAR PERIOD AT THE RATES EFFECTIVE DECEMBER 31, 1972. (SEE REFERENCED AIRGRAM ON INFLATION). ALL RENT INCREASES SINCE THAT DATE MUST BE REFUNDED BY PROPERTY OWNERS. BENEFICIARIES OF THE NEW LAW INCLUDE THOSE WHO OCCUPIED BUILDINGS SUBSEQUENT TO DECEMBER 31, 1972, AND WHO WILL ALSO BE ENTITLED TO REFUND FOR ANY INCREASE OVER THE RATES PREVAILING ON THAT DATE. DURING THE THREE YEAR PERIOD, ANY RENT INCREASE OR EVICTION OF TENANTS MUST BE APPROVED BY THE MINISTRY OF HOUSING WHICH WILL TAKE INTO CONSIDERATION MAJOR REPAIRS AND IMPROVEMENTS AS WELL AS INCREASED LABOR COSTS FOR MAINTENANCE EMPLOYEES. ONE NEWSPAPER STATED THAT SUCH

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DECISIONS WILL BE MADE BY A HOUSING COMMISSION WHICH WILL

INCLUDE REPRESENTATIVES FROM THE MINISTRIES OF LABOR, HOUSING AND HEALTH AND FROM THE JUNTA COMUNAL (ONE OF THE SMALLEST GOVERNMENTAL UNITS HAVING BOTH REPRESENTATIONAL AND JUDICIAL FUNCTIONS).

3. THE PRESS ALSO ANNOUNCED APPROVAL BY THE LEGISLATIVE COUNCIL OF OTHER LAWS TO ENCOURAGE CONSTRUCTION OF LOW COST HOUSING BY MEANS OF FISCAL EXONERATIONS TO BOTH CONSTRUCTION FIRMS AND TO BANKS WHICH PROVIDE FUNDS FOR SUCH HOUSING. THE EXTENT OF THE EXONERATIONS WILL DEPEND UPON THE SIZE OF THE HOUSING PROJECT AND THE RENTALS TO BE CHARGED ON THE NEW HOUSING UNITS.

DANIELS

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NNN

## Message Attributes

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**Disposition Date:** 01 JAN 1960  
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